



Australian-New Zealand life insurance company cuts sales times and costs, while revenues rise

Automation Solutions



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Company

Asteron is a forward-looking financial services organisation in Australia and New Zealand providing term life, trauma, income protection and total and permanent disablement insurance, along with wealth management and financial planning. In March 2007, it became part of Suncorp, a leading Australian insurance company.

Business Situation

Asteron sells life insurance to individuals through independent financial advisers. "Before taking on Munich Re's Allfinanz solution in 2008, customer intake was purely via paper forms," says John Crosswell, Executive General Manager of Life Risk.

"Two prime drivers pushed automation," says Mark Bower, Executive Manager, Service and Innovation. "We needed an electronic front-end to attract more advisers and augment their productivity. They needed faster applications, quick completions and low error rates. And we didn't want each new policy to crank up our internal costs."

The Allfinanz Solution

"We wanted an 'industrial strength' solution," says Crosswell, "not a 'tacked-on' electronic front-end. We assessed that the Automation Solutions division of Munich Re had the best track record worldwide and showed us comprehensive automation we could phase in.

We saw it would adapt and provide a tailored solution for our New Zealand business."

We delivered Phase One to advisers in five months," reports Bower. "We let that settle in, and then finished fitting the Allfinanz solution to our internal systems in June 2009."

Crosswell elaborates, "Asteron's information is now integrated in both directions first to interact with our online quoting software; second, on through to auto-underwriting, our underwriting workbench engine, policy admin, and maintenance. It's genuinely end-to-end."

At Asteron, advisers needs drive front-end information flow. Advisers invoke Asteron's quoting system, generate a quote, then enter the Allfinanz application. The process is branded as Lifeguard EQ and links to other services.

Bower says, "Some advisers request tele-interviewing by trained staff that includes many ex-nurses. This ensures accuracy and frees up advisers' time. Our system also enables tele-underwriting, a huge time-saver. Having faster, more accurate information, we assess applications without paper reports and more accurately."

"For Asteron, the Allfinanz Interview Server is a core business system. It flexes to our methods, then helps us find ways we can improve. It's already effective, but we will always

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John Crosswell, Executive General
Manager of Life Risk, Asteron

learn and evolve with it because Asteron constantly evolves.”

Benefits

“The Automation Solutions from Munich Re have helped us raise our market position and sustain it,” says Crosswell. “New business increased more than 20 percent last year because we’re more responsive to advisers. Without this integrated system, sales would be far harder to process. Now I can see and describe our future in concrete terms.”

Crosswell cites specific benefits Asteron has documented. In 2009, over 60 percent of one team’s new life business came in through Lifeguard EQ. Of that:

- 22% was accepted immediately
- 37% was accepted within 24 hours

Paper applications once averaged 36 days to issue; today that’s 16. Cases needing underwriting average only 21 days. “And this only reflects our initial implementation,” adds Crosswell.

Sales Growth

“We brought in the Allfinanz suite to keep pace with changing times,” says Bower. “Today, we’re ahead of the market. Advisers’ electronic intake is more than 50 percent, and bank advisers’ is 70 percent. We expect to lift this much higher by June 2010.”

“We have increased business levels many ways,” says Crosswell, “and one of them is our Allfinanz system. It’s a very useful tool for our Business Development Managers, who facilitate service to advisers and help improve their business. Over time, we will further improve our customer experience and adviser productivity.”

Sales Speed

Anecdotes collected from the field include one adviser completing, Asteron accepting, a very straightforward case in seven minutes.

One high-profile customer absolutely required acceptance in 24 hours for an overseas car rally. Asteron delivered.

Bower explains, “It is pivotal to advisers that we provide genuine straight-through processing by minimising repeated requests for information and by reducing errors.”

“Previously, 30 to 40 percent of applications had omissions, illegible words or errors. Today, it’s negligible.”

Internal Efficiencies

“Internally, productivity gains were over \$2 million last year, a 10–15 percent improvement on core functions,” says Crosswell. “The Allfinanz solution has helped us manage staff levels as sales rose. It helped reduce data entry and focus skilled underwriters on key activities and adviser interaction. The Allfinanz system, phone underwriting, and changes to our non-medical policy limits have reduced medical requirements such as blood tests by one-third.

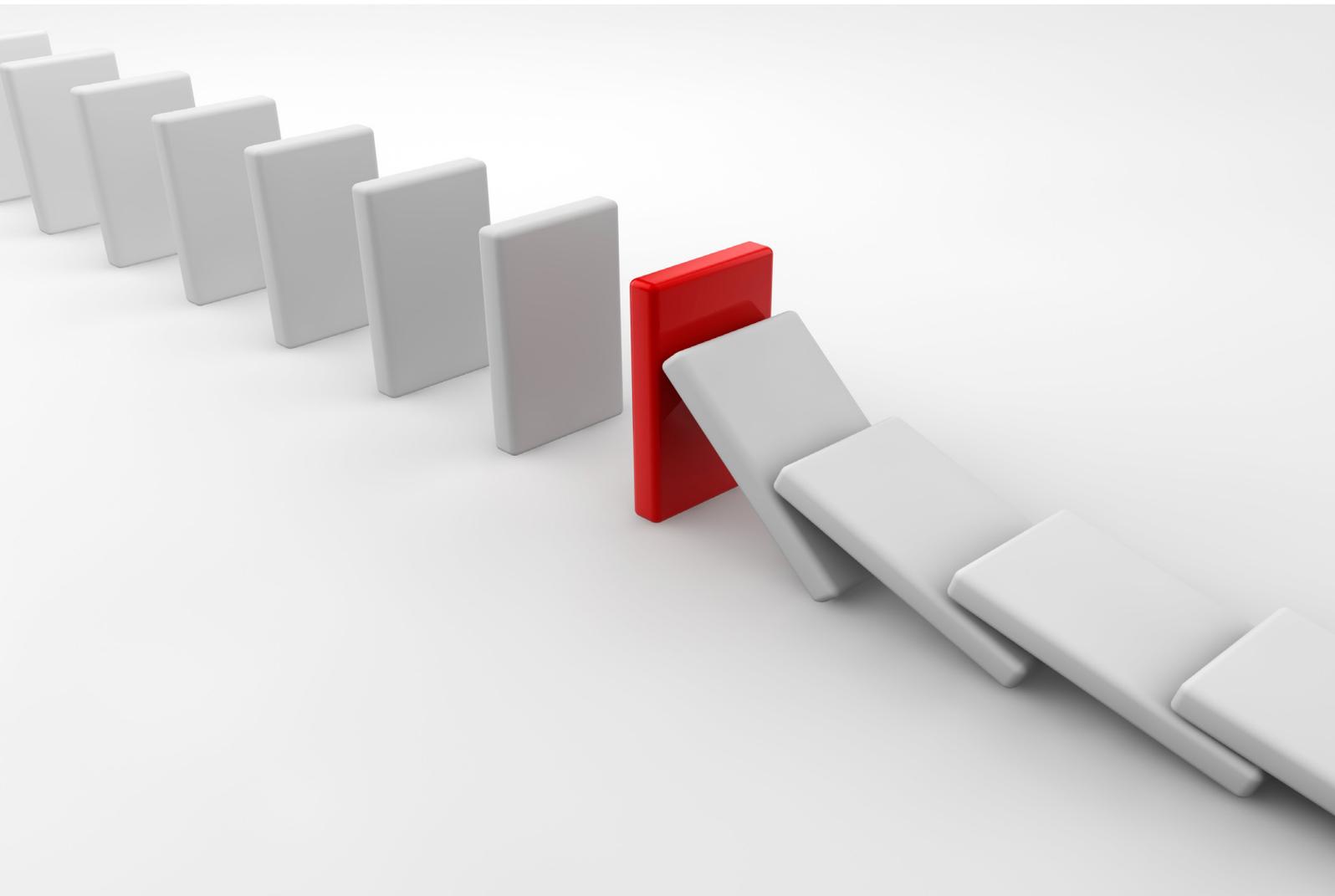
“The Allfinanz Interview Server captures, organises, correlates and distributes information, so each new efficiency gets full traction throughout the company. It lets underwriters do less busywork and more real underwriting because so much paperwork is automatic.”

“The Automation Solutions from Munich Re drive new services that please customers. They say phone based interviews with medically trained staff and tele-underwriters are effective and comfortable.”

“In the big picture,” sums up Crosswell, “we have a much better understanding of our business. We serve advisers better and free up our internal resources to give advisers even more of what they need. We can more securely implement continuous improvement throughout the company. We genuinely value our partnership with Munich Re.”

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About Automation Solutions from Munich Re

Munich Re is one of the world's largest reinsurers providing solutions for complex risks to 40 million clients in over 30 countries.

Munich Re's Automation Solutions are the market leader in providing new business processing and underwriting automation solutions to the life insurance industry. The Automation Solutions division of Munich Re delivers exceptional solution-based expertise that enables straight through processing (STP), increases sales and reduces costs for life insurers worldwide.

Munich Re's Automation Solutions have enabled STP and "instant issue" for insurers and banks globally, who are now able to auto-assess the majority of new applications at the point of sale for a variety of life insurance products across the full spectrum of distribution channels. This has been accompanied by a significant reduction in new business acquisition costs.

Headquartered in Dublin Ireland, the Automation Solutions division of Munich Re also has offices in Tokyo Japan, Sydney Australia and Chicago USA. The Automation Solutions division of Munich Re stands for outstanding client proximity, and its list of clients proudly includes world leaders such as Zurich, Aviva, Aegon, Liberty, Unum, ING, HSBC, Prudential, The Hartford and Metropolitan Life.